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Audit Report
on the year-end consolidated financial statements
for the period from 1 January 2017 to 31 December 2017

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INDEPENDENT AUDITOR'S REPORT ON THE YEAR-END CONSOLIDATED FINANCIAL STATEMENTS for the Shareholders Meeting and Supervisory Board of Centrum Nowoczesnych Technologii S.A.

We have audited the accompanying year-end consolidated financial statements of the group, where the holding company is Centrum Nowoczesnych Technologii S.A. ("the Company") with its registered office in Sosnowiec, consisting of: the consolidated statement of financial position prepared as at 31 December 2017, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the period from 1 January to 31 December 2017, as well as additional information on significant accounting policies and notes to the financial statements ("the financial statements").

Responsibilities of the Holding Company's Management Board and Supervisory Board for the Consolidated Financial Statements

The Holding Company's Management Board is responsible for the preparation of the consolidated financial statements and for their fair presentation in accordance with International Accounting Standards, International Financial Reporting Standards and the related interpretations announced in the form of European Commission regulations, as well as other binding legal regulations and the Holding Company's Statute. The Holding Company's Management Board is also responsible for such internal controls as it considers necessary to ensure that the consolidated financial statements are free from material misstatements resulting from fraud or error.

In accordance with the Accounting Act of 29 September 1994 (2017 Journal of Laws, item 2342 with subsequent amendments) ("the Accounting Act"), the Holding Company's Management Board and members of its Supervisory Board are required to ensure that the consolidated financial statements meet the requirements of the Accounting Act.

Responsibilities of the Auditor

Our responsibility was to express an opinion whether the consolidated financial statements present truly and fairly the Group's financial position and financial result in accordance with the applicable International Accounting Standards, International Financial Reporting Standards and the related interpretations announced in the form of European Commission regulations, as well as with the adopted accounting methods (policies).

We performed the audit of the consolidated financial statements in accordance with the provisions of:

- 1) the Act of 11 May 2017 on certified auditors, audit firms and on public supervision (2017 Journal of Laws, item 1089) ("the Certified Auditors Act"),
- 2) National Standards on Auditing in the wording of International Standards on Auditing, adopted in Resolution No. 2783/52/2015 passed by the National Council of Certified Auditors on 10 February 2015 with subsequent amendments, further to Resolution No. 2041/37a/2018 of 5 March 2018 on the national professional standards,
- 3) Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (Official Journal of the EU L 158 of 27 May 2014, page 77 and Official Journal of the EU L 170 of 11 June 2014, page 66) ("Regulation 537/2014").



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These regulations require us to comply with ethical requirements and to plan and perform the audit in a manner that allows us to obtain sufficient assurance that the consolidated financial statements are free from material misstatements.

The objective of an audit is to obtain sufficient assurance about whether the consolidated financial statements as a whole are free from material misstatements due to fraud or error, and to issue an independent auditor's report that includes our opinion. Sufficient assurance is a high level of assurance, but it is not a guarantee that an audit performed in accordance with the above standards will always detect an existing material misstatement. Misstatements can arise from fraud or error and are considered material if it could be reasonably expected that they, individually or in aggregate, could influence the economic decisions of users made on the basis of these consolidated financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, because fraud may involve collusion, forgery, deliberate omission, misrepresentation or circumvention of internal controls, and may pertain to every area of law and regulations, not just those that have a direct impact on the financial statements.

The audit consisted of performing procedures aimed at obtaining audit evidence on the amounts and information disclosed in the consolidated financial statements. We choose the procedures based on our judgement, including an assessment of the risk of material misstatements in the financial statements due to fraud or error. In assessing this risk we consider the internal controls related to the preparation and fair presentation of the consolidated financial statements in order to plan our audit procedures, and not to express an opinion on the effectiveness of internal controls. An audit also includes assessing the appropriateness of the accounting policies used and the reasonableness of the estimates made by the Holding Company's Management, as well as evaluating the overall presentation of the consolidated financial statements.

The scope of the audit does not include an assurance regarding the Group's future profitability, or regarding the Holding Company Management's effectiveness in the handling of the Group's affairs now or in the future.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our opinion is consistent with the additional report for the Audit Committee issued on the date of the present audit report.

Independence

During the audit, the auditor in charge and the audit firm remained independent of the entities comprising the Group in accordance with the provisions of the Certified Auditors Act, Regulation 537/2014 and the ethical standards adopted by the National Council of Certified Auditors.

To the best of our knowledge and belief we declare that we have provided no non-audit services forbidden by the provisions of Article 136 of the Certified Auditors Act and Article 5 point 1 of Regulation 537/2014 to the entities comprising the Group.

Selection of Auditor

We were selected as the auditor of the consolidated financial statements in Resolution No. 6 passed by the Company's Supervisory Board on 12 May 2017. We have audited the Group's consolidated financial statements since the financial year ended 31 December 2017.



Most Significant Types of Risk (Key Audit Matters)

In the course of the audit we identified the below described most significant types of risk of material misstatement, including from fraud, and have designed audit procedures appropriate for those types of risk. We are communicating the key audit matters in the context of our audit of the consolidated financial statements as a whole and in formulating our opinion on the consolidated financial statements, and do not express a separate opinion on those matters.

RISK OF MATERIAL MISSTATEMENT	AUDIT PROCEDURES PERFORMED IN RESPONSE TO THE RISK
<p>1 Risk of material misstatement in the process of recognizing revenue from construction services</p>	

The consolidated financial statements show revenue from construction services in the amount of 47.151 thousand zł.

The Group's accounting policies on the recognition of revenue are presented in detail in Note 11 to the consolidated financial statements.

The matter was classified as a risk of material misstatement of the financial statements due to the potential overstatement of sales revenue resulting from the fact that the revenue is based on a budget projection made for each contract, subject to the variables relating to the current reporting period. The estimates used in the preparation of the budget may contain errors, which in effect may have a significant impact on determining the stage of contract completion, and thus on the reported value of sales revenue.

Our audit procedures included in particular:

- obtaining an understanding of the sales process, including the Company's internal controls and accounting methods relating to the recognition of revenue, in order to determine whether they point to a risk of material misstatement in this area,
- with regard to the main contract, performing an on-site verification of the progress of work,
- performing an analysis of the correctness and validity of the revenue recognition method chosen by the Company,
- performing an analysis of the key terms of construction contracts with regard to revenue recognition, in accordance with the applicable accounting methods,
- for a selected sample of long-term contracts, performing detailed substantive tests consisting of verifying contract settlements with the relevant agreements (with subcontractors and customers), work completion reports and accounting records,
- verifying the accuracy of the settlement and recognition of consortium agreements, including the correct exclusion of the revenue and costs of a consortium member,
- for selected receivables, obtaining an independent confirmation of balances and verification of differences.



RISK OF MATERIAL MISSTATEMENT	AUDIT PROCEDURES PERFORMED IN RESPONSE TO THE RISK
<p data-bbox="245 344 1337 405">2 Risk of material misstatement in the process of recognizing revenue from the sale of electric power and gas fuels</p> <p data-bbox="221 427 735 674">The consolidated financial statements show revenue and costs of the sale of electric power and gas fuels at a subsidiary company. The value of such revenue presented in the consolidated financial statements is 988.002 thousand zł, and the related cost of goods sold amounts to 979.049 thousand zł.</p> <p data-bbox="221 689 735 813">The Group's accounting policies on the recognition of revenue are presented in detail in Note 11 to the consolidated financial statements.</p> <hr/> <p data-bbox="221 875 735 1122">The matter was classified as a risk of material misstatement of the consolidated financial statements due to the potential overstatement of the value of sales revenue and cost of goods sold, resulting from the fact that the subsidiary performs numerous daily electric power and gas sales transactions.</p>	<p data-bbox="799 427 1337 461">Our audit procedures included in particular:</p> <ul data-bbox="799 479 1422 1196" style="list-style-type: none">• obtaining an understanding of the sales process, including the Company's internal controls and accounting methods relating to the recognition of revenue, in order to determine whether they point to a risk of material misstatement in this area,• based on sales contracts, performing an analysis of the terms of sale and purchase of electric power and gas, including the form of transaction settlement,• analyzing the possibility of identifying the volumes of the sold or purchased electric power and gas with regard to recognition completeness in the financial year,• performing detailed substantive tests consisting of verifying the accounting recognition of revenue and cost of goods sold with the volume of realized orders,• for selected receivables, obtaining an independent confirmation of balances and verification of differences.
<p data-bbox="245 1256 975 1290">3 Recognition of the effects of ongoing court proceedings</p> <p data-bbox="221 1308 735 1397">The Company is a party to the court proceedings described in Note 37 to the separate financial statements.</p> <hr/> <p data-bbox="221 1464 735 1621">The matter was classified as a risk of material misstatement due to the uncertainty of the possible effects of the proceedings under way against the Company.</p> <p data-bbox="221 1637 735 1760">Assessment of the Company's exposure to the risk associated with the ongoing proceedings is based on the subjective judgement of the Management Board.</p>	<p data-bbox="799 1308 1337 1341">Our audit procedures included in particular:</p> <ul data-bbox="799 1359 1422 1874" style="list-style-type: none">• obtaining an understanding and evaluating the system of intern controls relating to assessing the effects of the ongoing disputes,• obtaining independent confirmations from law offices on the ongoing proceedings with information about the stage of each proceeding,• examining case records and the related source documents (contracts, accounting documents, correspondence between the parties) relating to the significant cases handled by the Company's legal representatives,• obtaining a declaration from the Company's Management Board on the risk associated with the ongoing proceedings filed against the Company.



Opinion

In our opinion, the accompanying year-end consolidated financial statements:

- a) give a true and fair view of the Group's financial position as at 31 December 2017, as well as of its financial result for the period from 1 January to 31 December 2017, in accordance with International Accounting Standards, International Financial Reporting Standards and the related interpretations announced in the form of European Commission regulations, as well as the adopted accounting methods (policies),
- b) are consistent, in content and in form, with the requirements of the Minister's of Finance Decree of 19 February 2009 on the current and periodic information provided by the issuers of securities and on the conditions for recognizing as equally valid the information required by the regulations of a state that is not a member state ("the Decree" - 2014 Journal of Laws, item 133 with subsequent amendments), as well as with other applicable laws and regulations and with the Holding Company's Statute.

Report on Other Legal and Regulatory Requirements

Opinion on the Directors' Report on the Group's Activities

Our opinion on the consolidated financial statements does not cover the Directors' Report on the Group's activities.

The Holding Company's Management Board is responsible for the preparation of the Directors' Report on the Group's activities in accordance with the Accounting Act and other binding regulations. In addition, the Holding Company's Management Board and members of its Supervisory Board are responsible for ensuring that the Directors' Report on the Group's activities meets the requirements of the Accounting Act.

Our responsibility under the Certified Auditors Act was to issue an opinion whether the Directors' Report on the Group's activities has been prepared in accordance with binding regulations, and whether it is consistent with the information presented in the year-end consolidated financial statements.

It was also our responsibility to report whether, based on our knowledge obtained during the audit about the Group and its environment, we have identified any material misstatements in the Directors' Report on the Group's activities, as well as to indicate the nature of each such misstatement.

In our opinion, the Directors' Report on the Group's activities has been prepared in accordance with the provisions of Article 49 of the Accounting Act and the Decree, and is consistent with the information presented in the year-end consolidated financial statements. Furthermore, based on our knowledge obtained during the audit about the Group and its environment we have identified no material misstatements in the Directors' Report on the Group's activities.

Opinion on the Declaration on the Application of Corporate Governance

The Holding Company's Management Board and members of its Supervisory Board are responsible for the preparation of a declaration on the application of corporate governance in accordance with binding regulations.

In connection with our audit of the consolidated financial statements it was our responsibility under the Certified Auditors Act to express an opinion on whether an issuer required to file a declaration on the application of corporate governance, which constitutes a separate section of the Directors' Report on the Group's activities, included in this declaration the information required by legal regulations, and - with respect to certain information indicated in the regulations - to report on whether this information is consistent with the applicable regulations and with the information contained in the year-end consolidated financial statements.



In our opinion, the Holding Company's declaration on the application of corporate governance contains the information specified in paragraph 91 section 5 point 4 letters a, b, g, j, k and l of the Minister's of Finance Decree of 19 February 2009 on the current and periodic information provided by the issuers of securities and on the conditions for recognizing as equally valid the information required by the regulations of a state that is not a member state (2014 Journal of Laws, item 133 with subsequent amendments). The information indicated in paragraph 91 section 5 point 4 letters c-f, h and i of the Decree contained in the declaration on the application of corporate governance is consistent with the applicable regulations and with the information contained in the year-end consolidated financial statements.

Katowice, 20 April 2018

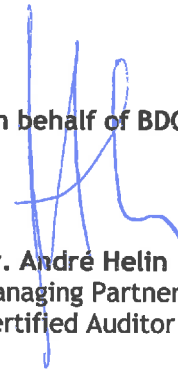
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On behalf of BDO Sp. z o.o.:



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